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MAR 16 2005
J. DAVID NAVARRO, Clerk
By MELANIE GAGNEPAIN
DEPUTY

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IN THE DISTRICT COURT OF THE FOURTH JUDICIAL DISTRICT OF THE
STATE OF IDAHO, IN AND FOR THE COUNTY OF ADA

STATE OF IDAHO, ex rel. SMITH,
Director of the
IDAHO DEPARTMENT OF INSURANCE,

Petitioner,

vs.

TWIN FALLS MUTUAL INSURANCE COMPANY,)

Respondent.

) Case No.

) CV OC 0501668

) ORDER
) OF REHABILITATION

Upon consideration of Petitioner's, Gary L. Smith, Director of the Department of Insurance, State of Idaho, Verified Petition for Order of Rehabilitation and in light of Respondent's, Twin Falls Mutual Insurance Company's, consent to said rehabilitation and good cause appearing therefor:

IT IS HEREBY ORDERED AND THIS DOES ORDER that:

1. This Order of Rehabilitation (hereafter Order) is entered pursuant to the Idaho Insurers Supervision, Rehabilitation, and Liquidation Act ("Act"), Chapter 33, Title 41, Idaho Code, and in particular Idaho Code § 41-3312(12).

2. The Director for the Idaho Department of Insurance ("Director" or "Rehabilitator"), and any successors in office, is hereby appointed as Rehabilitator of Twin Falls Mutual Insurance Company ("Twin Falls Mutual") and is vested with the powers and subject to the duties with respect to the rehabilitation of Twin Falls Mutual as set forth in Chapter 33, Title 41, Idaho Code.

3. The board of directors, officers, employees, policyholders, agents, and representatives of Twin Falls Mutual shall deliver all of the assets, books, records, and property of Twin Falls Mutual to the Rehabilitator, and the Rehabilitator shall take possession and administer the same under the general supervision of the court upon entry of this order pursuant to Idaho Code § 41-3313. Twin Falls Mutual, its directors, officers, employees, policyholders, agents, and representatives are hereby enjoined from interfering with the Rehabilitator's title, possession, and use of any and all of Twin Falls Mutual's assets and property, and from disposing of, removing, paying out, withdrawing, alienating, or encumbering any of the assets and property of Twin Falls Mutual.

4. The Director is authorized to engage the services of a deputy rehabilitator and such other persons to assist in the rehabilitation as set forth in Idaho Code § 41-3314.

5. The recording of this order with the County Recorder for Twin Falls County, Idaho shall impart the same notice as if a deed, bill of sale, or other evidence of title was duly recorded with the said recorder.

6. This order shall vest title, by operation of law, to all assets of Twin Falls Mutual in the Rehabilitator. Idaho Code § 41-3313(1).

7. Compensation of any deputy rehabilitator, other assistants, and all other expenses of taking possession of Twin Falls Mutual shall be fixed by the Rehabilitator, with the approval of the court, and the Rehabilitator is authorized to pay all such costs and expenses out of the funds or assets of Twin Falls Mutual. The Rehabilitator shall file an accounting with the court every six months commencing September 1, 2005.

8. The entry of this Order shall not constitute an anticipatory breach of any contracts of the insurer.

9. The Director shall have all of the powers and duties of a rehabilitator provided for in Chapter 33, Title 41, Idaho Code, including, but not limited to, the powers and duties set forth in Idaho Code § 41-3314, and such other powers as the court may order.

10. This order shall be binding upon any and all successors, assigns, and personal representatives of the parties hereto.

11. Enumeration in this order of the powers and authority of the Rehabilitator shall not be construed as a limitation upon the Rehabilitator, nor exclude in any manner the Rehabilitator's rights to do such other acts not herein specifically enumerated or otherwise provided for, as may be necessary or appropriate for the accomplishment of, or in aid of, the purposes of rehabilitation.

DATED this 16 day of March 2005.

JOEL D. HORTON

District Judge

STATE OF IDAHO }
COUNTY OF ADA } SS.
I, J. David Navarro, Clerk of the District Court of the Fourth
Judicial District of the State of Idaho, in and for the County
of Ada, do hereby certify that the foregoing is a true and
correct copy of the original on file in this office. In witness
whereof, I have hereunto set my hand and affixed by official
seal this 16 day
of March, 2005
J. DAVID NAVARRO, Clerk
By [Signature] Deputy.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have on this 16 day of March 2005, caused a true and correct copy of the foregoing order, to be served upon the following by the designated means:

John K. Cato, Sec./Treas.
Glen Gier, Pres.
Twin Falls Mutual Insurance Co.
1008 Burley Ave
Buhl, ID 83316

☒ first class mail
☐ certified mail
☐ hand delivery
☐ via facsimile

Charles F. Wright
Wright Bros. Law Office PLLC
PO Box 226
Twin Falls, ID 83303-0226

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☐ certified mail
☐ hand delivery
☐ via facsimile

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☐ hand delivery
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Thomas A. Donovan
Deputy Attorney General
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P.O. Box 83720
Boise, ID 83720-0043

☒ first class mail
☐ certified mail
☐ hand delivery
☐ via facsimile

J. DAVID NAVARRO
CLERK OF THE DISTRICT COURT

By: MELANIE GAGNEPAIN
Deputy Clerk

SEAL